

ORIGINAL

RECEIVED

MAR 7 2001

Before the
Federal Communications Commission
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

In the Matter of

Numbering Resource Optimization

)
)
)
)
)

CC Docket No. 99-200

DOCKET FILE COPY ORIGINAL

REPLY COMMENTS OF
Z-TEL COMMUNICATIONS, INC.

Claudia J. Earls
Z-Tel Communications, Inc.
601 S. Harbour Island Blvd., Suite 220
Tampa, FL 33602
(813) 233-4637

Dated: March 7, 2001

No. of Copies rec'd 044
List ABCDE

**Before the
Federal Communications Commission
Washington, D.C. 20554**

In the Matter of)	
)	
Numbering Resource Optimization)	CC Docket No. 99-200
)	
)	

**REPLY COMMENTS OF
Z-TEL COMMUNICATIONS, INC.**

Z-Tel Communications, Inc. ("Z-Tel"), by its counsel, hereby submits its Reply Comments in response to the Commission's Notice in the above-captioned proceeding.¹ As a provider of competitive local exchange service to residential customers in seventeen states, Z-Tel has a direct and vital interest in the outcome of this proceeding. Indeed, the outcome of this proceeding will affect substantially both the sustainability and expansion of competition in local exchange markets.

The vast majority of commenters are opposed a market based allocation system for numbering resources,² and in these reply comments, Z-Tel joins this opposition. Z-Tel recognizes the Commission's desire to improve the allocation and use of numbering resources. However, use of an auction system will have an adverse effect on competition in the local marketplace. The Commission's history of promoting competition by reducing entry barriers is incompatible with a market-based allocation of numbering resources. Raising entry barriers not only reduces the prospects for

¹ FCC 00-429, released Dec. 29, 2000, 66 Fed. Reg. 9535 (2001) (*Second Further Notice*).

² See, e.g., Comments of Ad Hoc Telecommunications Users Committee, 23-25; Comments of AT&T Corp., 21; Comments of BellSouth Corp., 22; Comments of Focal Communications Corporation, 5-6; and Comments of the New York State Department of Public Service, 5.

competition in local telecommunications markets, but also violates the intent of Sections 257(a) and 706(a) of the 1996 Act, which require the Commission to identify and eliminate market entry barriers for entrepreneurs, small businesses, and suppliers of advanced telecommunications services.

In addition, Section 251(e)(2) limits the Commission's ability to establish market-based pricing by requiring that all costs of establishing telecommunications numbering arrangements shall be borne by all carriers on a "competitively neutral basis." A system that prices numbering resources based on their market value would adversely impact new entrants.

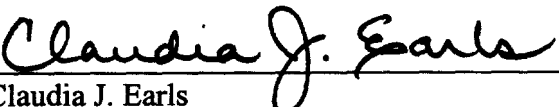
As an example of the potential for the creation of barriers to entry, one may examine other examples of FCC auctions and the characteristics of the successful bidders. On January 26, 2001, the Commission announced that its C and F Block broadband Personal Communications Service spectrum auction had raised total net revenues of more than sixteen billion dollars. The Commission also released information regarding the successful bidders. In fourteen of the top fifteen markets included in the auction, the winning bidders were either Cellco Partnership (which does business as Verizon Wireless), Alaska Native Wireless (which is a partner of AT&T) and Salmon PCS which is linked to Cingular Wireless, a joint venture of BellSouth and SBC Communications.

One must assume that were the Commission to hold auctions for numbering resources, the results would be similar. The largest carriers with the greatest access to capital would be the successful bidders for the vast majority of numbers available in the largest markets. The inability of small, new entrants to

compete with large, existing carriers for numbering resources would create a barrier to entry that is insurmountable. Without the ability to port numbers, a new entrant will be precluded from becoming a facilities-based carrier. Such carriers must have access to a pool of available numbers.

In conclusion, while Z-Tel recognizes that number exhaustion is a problem that must be addressed, we urge the Commission to explore other alternatives such as NPA overlays and number pooling rather than market-based approaches which may have the unintended result of limiting competition in the local marketplace.

Respectfully submitted,


Claudia J. Earls
Z-Tel Communications, Inc.
601 S. Harbour Island Blvd., Suite 220
Tampa, FL 33602
(813) 233-4637

Dated: March 7, 2001

CERTIFICATE OF SERVICE

I, Charles M. Hines III, hereby certify that a true and correct copy of the foregoing **"Reply Comments of Z-Tel Communications, Inc." in CC Docket No. 99-200** was delivered by hand this 7th day of March 2001 to the individuals on the following list:

Magalie R. Salas, Secretary
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

L. Charles Keller
Common Carrier Bureau
Federal Communications Commission
445 12th St. SW
Washington, DC 20554

Cheryl Callahan
Common Carrier Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

Diane Harmon
Common Carrier Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

Blaise A. Scinto
Common Carrier Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

Carmel Weathers
Common Carrier Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

Jennifer Salhus
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

Joseph A. Levin
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

David Furth
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

Patrick Forster
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

Elias Johnson
Wireless Telecommunications Bureau
Federal Communications Commission
445 12th St. SW, TW-A325
Washington, DC 20554

International Transcription Service
1231 20th St. NW
Washington, DC 20036



Charles M. Hines III